

AMENDED IN ASSEMBLY AUGUST 19, 1999

AMENDED IN ASSEMBLY AUGUST 16, 1999

AMENDED IN ASSEMBLY JULY 8, 1999

AMENDED IN SENATE MAY 17, 1999

AMENDED IN SENATE APRIL 20, 1999

AMENDED IN SENATE APRIL 6, 1999

SENATE BILL

No. 932

**Introduced by Senator Bowen
(Coauthor: Senator Solis)**

February 25, 1999

An act to add Sections 2889.7, 2889.10, and 2898 to the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 932, as amended, Bowen. Telecommunications.

(1) Under existing law, the Public Utilities Commission has regulatory authority with respect to telephone corporations. Existing law requires telephone corporations to provide specified customer and subscriber services, including information regarding the provider's identity, service options, pricing, and terms and conditions of service. Existing law requires the commission to impose that service information requirement on all telephone corporations in the state. Under existing law, the commission may only permit a subscriber's local telephone service to be disconnected for nonpayment of charges relating to specified telephone services.

This bill would require a telephone corporation, excluding a commercial mobile radio service, as defined, that provides a new telephone service or feature to subscribers to mail a specified written notice to each subscriber of that new service or feature, within 3 business days of service activation. The bill would require the commission, prior to the offer by a telephone corporation of a new nonsubscription service or feature, to determine, and require the telephone corporation to provide, adequate notice to consumers. The bill, with certain exceptions, would authorize a subscriber, for services purchased by telephone, within 10 days from the date that the subscriber is mailed such a notice, to request the telephone corporation to suspend the provision of any telephone service or feature described in that notice, and would require the telephone corporation, upon receipt of such a request, to suspend the provision of the specified telephone service or feature. The bill would prohibit a telephone corporation from imposing any charge for the suspension of a telephone service or feature or for a telephone service or feature that a subscriber does not use and has rescinded. The bill, except as specified, would require a telephone corporation to reimburse a subscriber for any charge imposed by that corporation for the inadvertent use of a telephone service or feature, but this does not apply to telephone calls.

The bill would require an advertisement for a telecommunications service that includes specified references to disclose information on charges, as prescribed. The bill would require a telephone corporation that provides local telephone service to provide that subscriber with a printed alphabetical telephone directory; however, this may be waived, as prescribed. The bill would prohibit a telephone corporation from requiring a subscriber to deposit a sum of money with the telecommunications service provider prior to establishing an account and furnishing local telephone service that exceeds a specified amount unless the subscriber has a poor credit history, as determined by the commission.

The bill would only allow a telephone corporation to disconnect the local telephone service of a subscriber for nonpayment of local telephone service charges; would prohibit a telecommunications service provider from



declining to provide service if the subscriber declines to provide his or her social security number, but allows the collection of other identification and credit information by a commercial mobile radio service, as prescribed; would require a telephone corporation to allow subscribers the ability to block access to nonessential services and to provide subscribers with information about Caller ID blocking options, as specified. The bill would require the commission to establish rules to require telephone corporations to provide the commission with reports of complaints made by subscribers regarding telephone service. The bill would provide that these described provisions apply to residential subscribers.

The bill would prohibit a telephone service provider from including in a residential subscriber contract a provision that prohibits the subscriber from pursuing a judicial remedy, as specified.

(2) The Telecommunications Customer Service Act of 1993 requires telephone corporations to provide specified customer services and information to telecommunications customers.

This bill would require the commission to develop and administer information on the Internet that offers to telephone service customers on-line access to information about local and long-distance telephone services offered by providers and other consumer information, as prescribed. The bill would prohibit the commission from implementing the above requirement until July 1, 2001, unless otherwise authorized by the Department of Information Technology pursuant to a specified executive order.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2889.7 is added to the Public
2 Utilities Code, to read:
3 2889.7. (a) A telephone corporation, excluding a
4 commercial mobile radio service, that provides a new
5 telephone service or feature shall mail to each subscriber

1 of that service or feature within three business days of
2 service activation a written notice, *in the language in*
3 *which the service was offered or sold*, describing the
4 price, terms, and conditions of the service or feature.

5 (b) The commission, prior to the offer by a telephone
6 corporation of a new nonsubscription service or feature,
7 shall determine, and shall require the telephone
8 corporation to provide, adequate notice, *in the language*
9 *in which the service will be offered*, to consumers.

10 (c) (1) Except as specified in paragraph (2), for
11 services purchased by telephone, a subscriber, within 10
12 days from the date that the subscriber is mailed the notice
13 required pursuant to subdivision (a), may request the
14 telephone corporation to suspend the provision of any
15 telephone service or feature described in that notice. The
16 telephone corporation, upon receipt of that request, shall
17 suspend the provision of any telephone service or feature
18 specified in the request. A telephone corporation may not
19 impose any charge for the suspension of a telephone
20 service or feature, or for a telephone service or feature
21 that a subscriber does not use and has rescinded, pursuant
22 to this section.

23 (2) This subdivision does not apply in either of the
24 following circumstances:

25 (A) If a subscriber orders a change in service provider,
26 or a change in service that requires a telephone
27 corporation employee to perform work at the premises of
28 the subscriber.

29 (B) If there is a contract between a telephone
30 corporation and the subscriber.

31 (d) (1) Except as specified in paragraph (2), a
32 telephone corporation shall reimburse a subscriber for
33 any charge imposed by that corporation for the
34 inadvertent use of a telephone service or feature. This
35 subdivision does not apply to telephone calls.

36 (2) A subscriber shall be entitled to one bill
37 adjustment, upon request, for the inadvertent or
38 unauthorized use of a pay-per-use service or feature. If
39 the subscriber does not order the telephone corporation
40 to suspend the provision of the subject telephone service

1 or feature at the time of a requested bill adjustment, the
2 telephone corporation is not obligated to adjust the bill of
3 the subscriber for any inadvertent or unauthorized use
4 thereafter of the telephone service or feature.

5 (e) An advertisement for a telecommunications
6 service that refers to per-minute rates, free services, or
7 services provided at no charge, shall disclose all
8 underlying charges and restrictions, if any, that will apply
9 if a customer uses that service. For the purpose of this
10 subdivision, the term “underlying charges” does not
11 include any tax or surcharge mandated by local, state, or
12 federal law.

13 (f) A telephone corporation that provides local
14 telephone service to a subscriber shall provide that
15 subscriber with a printed alphabetical telephone
16 directory. The subscriber may waive this requirement by
17 a written declaration authorizing the telephone
18 corporation to provide a nonprint alphabetical telephone
19 directory.

20 (g) A telephone corporation may not require a
21 subscriber to deposit a sum of money with the
22 telecommunications service provider prior to
23 establishing an account and furnishing local telephone
24 service that exceeds an amount equal to an average of two
25 months’ local telephone service bills unless the subscriber
26 has a poor credit history, as determined by the
27 commission. If the subscriber has a poor credit history, the
28 subscriber shall have the option of submitting a deposit in
29 an amount that equals not more than an average of two
30 months of local telephone service charges if the
31 subscriber accepts restricted toll service. If a subscriber
32 elects to block access to toll service, the calculation of such
33 a deposit shall reflect an average based on that exclusion
34 of toll service costs.

35 (h) Notwithstanding any other provision of law, a
36 telephone corporation may only disconnect the local
37 telephone service of a subscriber for nonpayment of local
38 telephone service charges. Any payment of a telephone
39 bill shall first be credited toward local telephone service

1 charges. Telephone corporations shall implement this
2 requirement not later than July 1, 2000.

3 (i) A telephone corporation may not decline to
4 provide service if the subscriber declines to provide his or
5 her social security number. A telephone corporation may
6 request the social security number of a subscriber only
7 after disclosing to the subscriber that providing the social
8 security number is optional and not required as a
9 condition of receiving service. Nothing in this subdivision
10 prohibits a commercial mobile radio service from
11 requesting data, other than a subscriber's social security
12 number, to verify the identity of the subscriber and
13 establish creditworthiness. If the commercial mobile
14 radio service is unable to verify the identity or
15 creditworthiness of a subscriber, the service may deny or
16 limit service.

17 (j) A telephone corporation offering local telephone
18 service shall allow subscribers the ability to block access
19 to nonessential services. This service shall be provided
20 without charge the first time it is requested by the
21 subscriber. For purposes of this subdivision, nonessential
22 services include, but are not limited to, toll service and
23 custom calling services such as three-way calling and call
24 return.

25 (k) A telephone corporation shall provide subscribers
26 with complete and neutral information about Caller ID
27 blocking options, as determined by the commission,
28 whenever those options are offered to the subscriber.
29 This information shall also be included in the annual
30 notice provided to customers pursuant to Section 786.

31 (l) The commission shall establish rules to require
32 telephone corporations to provide the commission with
33 reports of complaints made by subscribers regarding
34 telephone service. The purpose of these reports is to
35 provide the commission and the public with timely
36 information regarding the extent and nature of consumer
37 dissatisfaction.

38 (m) This section only applies to residential
39 subscribers.



(n) As used in this section, “commercial mobile radio service” has the same meaning as “commercial mobile service,” as defined in subsection (d) of Section 332 of Title 47 of the United States Code.

SEC. 2. Section 2889.10 is added to the Public Utilities Code, to read:

2889.10. No telephone corporation may include in a residential subscriber contract any provision that prohibits the subscriber from pursuing a judicial remedy in California, to the extent that the subscriber is permitted to pursue a judicial remedy.

SEC. 3. Section 2898 is added to the Public Utilities Code, to read:

2898. (a) The commission shall develop and administer information on the Internet that offers to telephone service customers on-line access to information about local and long-distance telephone services offered by providers.

(b) The commission shall require telephone corporations, including, but not limited to, those telephone corporations with more than 50,000 subscribers in this state, and any other telephone corporations that wish to participate in the provision of information on the Internet, to submit information on residential telephone services in a standardized format. The commission shall adopt a standard initial format for the submission of information, and may thereafter alter the format and other submission requirements as the commission determines to be necessary to improve convenience and accuracy, or to meet the technical requirements of the Internet. Only certificated telephone corporations that offer telephone service to customers in this state may participate in the provision of information on the Internet in accordance with this section.

(c) The commission shall maintain and make available on the Internet a list of certificated telephone corporations that operate in this state, whether or not those telephone corporations participate in the provision of information on the Internet in accordance with this section.

(d) The commission shall include on the Internet relevant information to alert the public about telephone corporations that may be attempting to provide local or long-distance service in the state in an unauthorized or fraudulent manner.

(e) The commission shall require certificated telephone corporations that participate in the provision of information on the Internet in accordance with this section to submit information that may include, but is not limited to, any of the following information:

(1) Prices for various service offerings.

(2) Estimated total prices for a variety of standard customer profiles.

(3) Peak and offpeak schedules and designated holidays.

(4) Rate schedules.

(5) Service conditions and contract terms.

(6) Phone numbers for customer service and complaints.

(7) Information on billing dispute and complaint resolution procedures.

(8) An Internet web site address to access the telephone corporation's own Internet website.

(f) The commission shall develop a procedure to ensure that information on the Internet is updated by participating telephone corporations.

(g) The commission may include the Internet addresses of participating telephone corporations in hypertext markup language to facilitate direct access to information provided by each corporation on the Internet.

(h) The commission shall incur no liability for the content of information provided by a telephone corporation participating in the provision of information on the Internet pursuant to this section.

(i) The commission may initiate proceedings, issue orders, and adopt rules and procedures as it determines to be necessary to further the intent of this section.

1 (j) The commission may direct participating
2 telephone corporations to modify, add, or delete
3 information on, or for submission to, the Internet.

4 (k) The commission shall update the information on
5 the Internet and make any necessary corrections on a
6 quarterly basis. The date of the latest update made
7 pursuant to this subdivision shall be displayed on the
8 Internet.

9 (l) The commission may not implement this section
10 until July 1, 2001, unless otherwise authorized by the
11 Department of Information Technology pursuant to
12 Executive Order D-3-99.

